From: David Taber - DOTnet Consulting
To: Microsoft ATR
Date: 1/28/02 12:13pm
Subject: Microsoft settlement citizen/competitor input

I understand that there is still time to submit public comment/
recommendations on the Microsoft antitrust settlement.

Summary:

* The software industry is so complex, and Microsoft so
  dominant, that administrative and procedural remedies
  will be a complete waste of time for the government and
  Microsoft itself. There are too many loopholes and back-
  doors to ever regulate the company as structured.

* Splitting the company up would work to an extent, but over
  the long run would simply create two or more monopolies,
  rather than one big one.

* Perversely, the industry actually prospers when there is
  a near-monopoly to drive de facto standardization. The
  software industry does *not* thrive on the chaos of small
  players. So the industry would be best if there were a
  quasi monopolist that didn't do economic harm.

* The only way to actually neutralize a monopoly in the
  software industry is to fundamentally alter the economics
  of the monopolist. With the incentive gone, the behavior
  and damage to the industry would fade away.

* The operating systems market for Intel-based PCs is
  brain-dead: it exists, but it does not function in any
  meaningful sense. So there is an opportunity to neutralize
  the bad effects of the Microsoft monopoly.

* The government can use the argument of eminent domain
  to declare the PC OS "marketplace" as property that
  will be taken over in the public interest. The government
  then grants this "marketplace" as a dead-zone in which only
  Microsoft can be a commercial supplier. The government
  pays Microsoft one dollar a year, and the fees paid by
  PC vendors for their operating systems goes to the US
  treasury.

  (An alternate form of this recommendation is just to put
  Windows into pure open source, where many vendors can
  work to make the system more secure and reliable while no
  vendor can charge for the product.)

* Microsoft thus has an incentive to keep their OS innovations going (to make their applications business prosper, but they get no monopoly profits from the OS. They also have little power over the PC vendors or application vendors.

Now that I've written the "summary," I'll spare you the details.

Regards, and good luck.

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